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**Sent:** 4/16/2019 10:30:50 AM  
**To:** Gray, David [gray.david@epa.gov]  
**Subject:** Fwd: Morning Agriculture: Forecasters keep wary eye on farmland values — More anti-ag-merger momentum — Nutrition Facts update could save health care costs — Conservatives seek stricter rule for certain SNAP recipients — California Dems weigh USMCA plu...

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**Date:** April 16, 2019 at 6:02:42 AM EDT  
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**Subject:** Morning Agriculture: Forecasters keep wary eye on farmland values — More anti-ag-merger momentum — Nutrition Facts update could save health care costs — Conservatives seek stricter rule for certain SNAP recipients — California Dems weigh USMCA pluses and minuses  
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# MORNING AGRICULTURE

04/16/2019 06:01 AM EDT

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By RYAN MCCRIMMON ([rmccrimmon@politico.com](mailto:rmccrimmon@politico.com); [@RyanMcCrimmon](#))

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*With help from Helena Bottemiller Evich and Oma Seddiq*

**QUICK FIX**

— **Steady farmland values have stood out as a bright spot** amid plenty of economic challenges for agriculture. But farmers and ranchers could start to feel the pinch of declining land values this year if farmland sales continue rising and commodity prices remain low, according to new analysis.

— **Breaking up big agribusinesses** — an increasingly popular idea among Democratic presidential candidates — got another boost this week after Sen. Bernie Sanders on Monday called for cracking down on industry consolidation.

— **As the U.S.' largest farm state and a neighbor of Mexico**, California has plenty at stake when Congress votes on the new NAFTA deal, including a potential win for its wine industry. But the Golden State is also a hub of resistance to President Donald Trump.

**HAPPY TUESDAY, APRIL 16!** Welcome to Morning Ag, where we want to know if this pizzeria that makes a 154-cheese pizza will deliver from Australia. Send tips to [rmccrimmon@politico.com](mailto:rmccrimmon@politico.com) and [@ryanmccrimmon](https://twitter.com/ryanmccrimmon), and follow us [@Morning\\_Ag](https://twitter.com/Morning_Ag).

## DRIVING THE DAY

**FORECASTERS KEEP WARY EYE ON FARMLAND VALUES:** Agricultural economists are watching how land values hold up in 2019 as other economic challenges continue to cloud this year's ag outlook. The Federal Reserve Bank of Kansas City last week said there's "potential for lower farmland values moving forward," citing an increase in the number of land sales in some states and a shrinking gap between farm profits and interest rates. (More examination here from the University of Illinois' Farm Policy News.)

The farm economy is already dealing with a five-year decline in net farm income, the highest farm debt levels since the 1980s, and continued trade tension. Land prices have remained strong in parts of the country, but the growing financial stress could lead more farmers to sell land and thus drive down prices.

**"Farmland values are mixed in early 2019,"** the Farm Credit Administration noted in its quarterly report last week, citing "continued strength" in some markets and "modest declines" elsewhere. Industry surveys suggest "stable to somewhat lower cropland prices in 2019," the agency said.

**Why it matters:** Ag economists have frequently cited stable farmland values (along with relatively low interest rates) as a key reason the current farm challenges aren't as bad as the 1980s crisis. If that changes, it could mark another sign of deteriorating conditions.

**MORE ANTI-AG-MERGER MOMENTUM AMONG 2020 DEMS:** After much tough talk against large agribusinesses during a campaign swing in Iowa last month, Sanders went a step further this week by proposing to freeze agricultural mergers — and to break up those that have already taken place.

"I think we've not only got to have that moratorium, but we have to go further — we have to start breaking them up," he said in an interview with HuffPost on Monday.

**Several Democratic 2020 contenders** have rolled out rural and ag policy platforms in recent weeks as they look to build support in communities that generally favor Trump (and potentially to gain an edge in Iowa, which is up first in the primary contests).

— Sen. Elizabeth Warren (D-Mass.) was among the first to publish a list of agriculture policy proposals aimed at cracking down on consolidation — including reversing last year's Bayer-Monsanto merger.

**NUTRITION FACTS UPDATE COULD HELP SAVE BILLIONS:** A new mandate to disclose added sugars on the Nutrition Facts panel could stave off hundreds of thousands of cases of diet-related disease and save the U.S. health care system tens of billions of dollars, per a new study published Monday in the journal *Circulation*.

**Added sugars labels coming soon:** Many food packages are already disclosing added sugars in preparation for new FDA regulations. The label changes to the Nutrition Facts panel start to become mandatory for large food companies in January 2020.

**Big savings ahead?** The study, led by researchers at the Friedman School of Nutrition Science and Policy at Tufts University and the University of Liverpool estimates that labeling could prevent or postpone nearly 1 million cases of diseases such as stroke and type 2 diabetes over 20 years. The net cost savings in terms of health care would be \$31 billion over the time period, the researchers said.

If food makers cut added sugars in their products because of the label, the changes could prevent or postpone nearly 3 million cases of cardiovascular disease and diabetes over 20 years. The health care cost savings would jump to \$57.6 billion over the same time frame. Pros can read more from Helena Bottemiller Evich here.

**CONSERVATIVE GROUP SEEKS STRICTER SNAP RULE:** The Foundation for Government Accountability, a conservative nonprofit that supports reining in aid programs,

is releasing a report today that calls on USDA to go further in its push to crack down on state and local work requirement waivers for able-bodied adults receiving food stamps.

The report, first in MA, says USDA's recent proposed rule, which makes it much harder for states and counties to qualify for waivers, is "a significant step in the right direction." But it asks the department to further tighten how states can combine areas to apply for waivers. FGA argues that states are essentially gaming the system to waive Supplemental Nutrition Assistance Program beneficiaries from able-bodied work requirements.

**Proposed changes:** FGA recommends that USDA doesn't allow waivers in places that are located in "commuting zones" that have "sufficient jobs" — a change that would combine nearby rural areas with nearby employment hubs, making it less likely these localities would qualify for waivers.

"Waivers from work should be limited to areas where there are not enough jobs within commuting distance," Sam Adolphsen, vice president of executive affairs at FGA, said in a statement. The report is here.

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**Great Lakes Economic Forum:** Join top POLITICO reporters for a series of thought-provoking discussions at the 2019 Great Lakes Economic Forum. The Forum, which takes place from May 6-8 in Cleveland, is the premier conference for leading industry executives, senior government officials, and policy experts from the eight American Great Lakes states plus Ontario and Quebec. The conference aims to find new ways to harness the Region's economic strengths and assets, improve the well-being of its citizens, and protect the environment for future generations. Use promo code **POLITICO2019** to receive 30% off your ticket.

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## TRADE CORNER

**GOLDEN STATE DEMS WEIGH USMCA AG IMPACT:** California's 53-member House delegation could help Trump lock in his signature trade achievement when the U.S.-Mexico-Canada Agreement comes before Congress for ratification. But winning them over isn't proving easy, Pro Trade's Doug Palmer writes this morning.

**California labor groups are wary of the agreement,** and Democrats are generally averse to handing Trump a political win. But lawmakers will also have to weigh the deal's potential

benefits for agriculture and other business sectors. (A much-anticipated ITC report expected this week will shed light on the deal's projected economic impact.)

**The stakes:** California-Mexico trade totaled \$74.8 billion in 2018, second only to Texas. Farm goods are among California's top exports to Mexico, which benefit from tariff reductions under NAFTA, and agriculture groups like the California Farm Bureau Federation are pushing for Congress to ratify USMCA.

— **California's wine industry** stands to benefit from a side agreement that would end a practice in Canadian provinces like British Columbia that effectively promotes domestic wines over imported vintages on grocery store shelves. (Canada is the largest market for U.S. wine, and about 90 percent of U.S. wine exports come from California vineyards.)

**EU APPROVES TRADE TALKS, WITH A WARNING:** Brussels on Monday agreed to launch trade talks with the U.S. — but warned it would back out if Trump refuses to lift industrial tariffs or slaps new duties on European cars and auto parts.

The negotiating mandates, formally approved Monday, emphasize that steel and aluminum tariffs must be dropped "prior to the conclusion of negotiations," which EU ministers hope will happen before European Commission President Jean-Claude Juncker leaves office at the end of October.

**Senate Finance Chairman Chuck Grassley shot back his own warning**, saying that if the trade talks exclude agriculture, it's unlikely a final agreement would be ratified by Congress. "Agriculture is a significant piece of the global economy and it simply doesn't make sense to leave it out," he said in a statement. Pro Trade's Doug Palmer has more.

## ROW CROPS

— **Delays in China's approval process for biotech crops has cost U.S. companies about \$5 billion**, according to an estimate from the trade group CropLife International, CNBC reports.

— **Some U.S. farmers fear they'll be worse off under a potential U.S.-China deal** than they were before the trade war, Bloomberg reports.

— **Duluth, Minn., is one of the cities looking to attract Americans seeking a safe haven from climate change**, through marketing and potential slogans like "climate-proof Duluth." The mayor of Buffalo, N.Y., billed his city as a "climate refuge." The New York Times has the story.

— **The National Cannabis Industry Association hired Andrew Kline as director of public policy.** Kline previously was president of the National Association of Cannabis Businesses (h/t Pro Canada).

## ON THE CALENDAR

— **11:45 a.m.** The Hudson Institute hosts a discussion on balancing EU relations with the U.S. and China. 1201 Pennsylvania Ave. NW, Suite 400.

**THAT'S ALL FOR MA!** Drop us a line: [cboudreau@politico.com](mailto:cboudreau@politico.com) and [@ceboudreau](https://twitter.com/ceboudreau); [rmccrimmon@politico.com](mailto:rmccrimmon@politico.com) and [@ryanmccrimmon](https://twitter.com/ryanmccrimmon); [hbottemiller@politico.com](mailto:hbottemiller@politico.com) and [@hbottemiller](https://twitter.com/hbottemiller); [lcrampton@politico.com](mailto:lcrampton@politico.com) and [@liz\\_crampton](https://twitter.com/liz_crampton); [jlauinger@politico.com](mailto:jlauinger@politico.com) and [@jmlauinger](https://twitter.com/jmlauinger); and [pjoshi@politico.com](mailto:pjoshi@politico.com) and [@pjoshiny](https://twitter.com/pjoshiny).

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